

**2003**

**Maine Community Development Block Grant Program**

**B**usiness **A**ssistance **P**rogram

**D**evelopment **F**und **P**rogram

**R**egional **A**ssistance **F**und **P**rogram

**Application Package**

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**Application Due Date – Open beginning January 1, 2003**



**Office of Community Development  
Department of Economic and Community Development  
111 Sewall Street  
59 State House Station  
Augusta, Maine 04333-0059  
Dann H. Lewis, Acting Commissioner  
(207) 287-8485 (Voice)  
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## **SECTION I**

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### **APPLICATION OVERVIEW**

#### **A. Introduction**

This application package contains information for three programs, Business Assistance (BA), Development Fund (DF) and Regional Assistance Fund (RAF). These economic development programs provide funding to communities, primarily for loans to business entities for a variety of activities. The eligible activities specific to each program will be detailed in the respective program section of this application package. The purpose of these programs is to provide **gap** financing for improvements, which lead to the creation or retention of jobs for low and moderate-income individuals.

#### **B. Application Process**

The selection process for these programs consists of a review team evaluation of information provided regarding the following factors – Activities to be Funded, Chance of Success, Financial Plan, Equity, Loan Repayment Terms, Security, Public Benefit, Cost, Benefit to low-moderate income (LMI) persons, Business Financial Commitment and Community Financial Commitment. Applicants are encouraged to contact the Office of Community Development (OCD) prior to preparing their proposal.

There is no maximum length of an application. The application will include all items on the check list for that specific program as provided in this application package and shall be printed on 8 ½ x 11 inch paper, one sided, with a print size no smaller than the print in this application package.

##### **1. Competitive Application**

The application must provide a clear description of the problems to be addressed, the proposed activity to be funded with CDBG assistance, an analysis of project significance and feasibility, participation by citizens and businesses, and all commitments to the project.

Applications may be submitted at any time. DECD staff and/or its designee will review the information to determine if the threshold criteria have been met. The DECD or its designee may also conduct a credit analysis. After staff analysis, a review committee will evaluate applications. Recommendations for funding will be forwarded to the Director of OCD for final selection. The DECD will maintain the confidentiality of all business-related information submitted as part of an application.

##### **2. Project Development**

An invitation into the project development phase reserves funds for the project. Final funding is contingent upon the OCD's receipt of funds from HUD and successful completion of the project development phase criteria. All aspects of the project development phase must be completed prior to the execution of a contract with OCD and include:

- 1) project eligibility and verification of benefit;
- 2) environmental review;
- 3) cost analysis and justification;
- 4) management plan development; and

5) specific state and federal requirements.

The emphasis during the project development phase is on development of the best project to meet the community's and business's economic development needs. A Project Development Manager will be assigned to assist the community and the business in completing this activity. Applicants have up to six months to complete the project development phase process.

### **3. Project Implementation**

Following successful completion of the project development phase, a contract will be executed and the community/business can begin to implement their project. The Project Development Manager will remain involved with the community and the business throughout project implementation to provide technical assistance and to monitor for compliance with federal and state regulations.

### **C. Applicant Prohibitions**

An applicant may not benefit from, or apply for, more than one program award per business.

### **D. Collateral Assignment**

The DECD will take a collateral position on the business property or secure a surety instrument from the community to protect CDBG funds.

### **E. Application Time Frame**

The total application process from first submittal to loan closing can involve a time period of up to 180 days.

## SECTION II - GENERAL APPLICATION INSTRUCTIONS

### Introduction

The application asks the community and business to provide a description of the problem, proposed solution, the local participation that led to determining the priority to assist this business and the status of all commitments to this project which will result in creating or retaining jobs for LMI persons.

### A. Application: Problem Statement

The Problem Statement must describe the economic development issue to be addressed. While many problems may be faced by the business, focus on those problems to be addressed with Program funds. The problem statement is divided into three areas. Following each area are topics, information or areas that must be included in the Problem Statement.

#### SCOPE OF PROBLEM

- Detail the problems or needs facing the community/business to be assisted.
- Tell how these problems relate to job creation or job retention activities.
- Describe how the overall financial viability of the business is affected by the problems or needs.

#### IMPACT ON COMMUNITY AND REGION

- Identify how employment opportunities for persons of low/moderate income are negatively affected by the identified problems.
- Emphasize the importance of the affected business in relation to the stability of the community/region and its current financial well being including property tax analysis before and after the proposed activities.

#### NEED FOR FUNDS

- Identify reasons why the business is unable to finance the proposed project on its own, or with assistance from other sources.
- Include a narrative that highlights any recent efforts by the community or the business to assist job creation/retention activities.

### B. Application - Proposed Solution

The Proposed Solution must describe how the problems identified in the Problem Statement will be addressed. In this section, respond directly to the problems that will be addressed with Program funds. The solution statement is divided into two areas. Following each area are topics, information or ideas that must be included in the Proposed Solution.

#### PROJECT DESCRIPTION

- Detail the activities that the business will undertake using Program funds to resolve the problems presented in the Problem Statement
- Identify the specific acquisition, equipment, real property improvements and/or fixtures that will be installed, modified, upgraded, etc., with Program funds in detail.
- Explain how the solution directly solves the problems or needs.

- Include a firm figure of the number of jobs to be created or retained as a result of the project, and how these jobs relate to persons of low/moderate income.
- Clearly state the amount of Program funds sought, how they will fit into the overall financing of the project.
- Include a graphic description (aerial photo, map, sketch) of the sites involved. Provide a generalized location of the site relative to the community and a copy of a floodplain map showing the project location. Include existing and proposed site and/or building improvements.
- Provide financial statements (not more than 90 days old) including Balance Sheets, Profit and Loss Statements and Income Statements both historical and projected for a minimum of 2 years, Pro-Forma Cash Flow Statement for three years, Personal Financial Statements for all principals with more than 20% ownership in the business. Financial statements must show evidence of having been reviewed by a CPA. **To protect confidentiality, this information may be submitted directly to the DECD.**

#### **EFFECT ON ASSISTED BUSINESS**

- Describe the effect the Program award and completion of the project, as a whole, will have on the ability of the business to remain competitive, and create/retain quality jobs.
- Attach a market analysis to include identification of competitors, price, resource availability, costs analysis, transportation, demand, and other factors influencing the marketability of the product or service proposed. Also identify all project risks and the extent of the risks. **To protect confidentiality, information regarding these two items may be submitted directly to the DECD.**

#### **PROJECT TIMELINE AND FEASIBILITY**

- Describe how the project is assured of successful completion.
- Identify what work, such as pre-engineering, construction and improvements, or fixture purchase that has been completed, or is in process, and exactly how these things relate to the proposed Program project
- Provide background information (including resumes) for the owners and/or managers of the business and specific information about the skills and experiences of the owners and/or managers as related to the successful management of the existing and proposed project. **To protect confidentiality, this information may be submitted directly to the DECD.**
- Include a concise timetable for project implementation.

### **C. Application - Special Agreements by Applicants**

#### **Retail Business Certification**

Each applicant that proposes to use Program funds to assist a retail business must submit a completed Retail Business Certification with the application. This

certification must demonstrate that the special conditions governing assistance to retail business have been met.

#### **D. Application - Citizen Participation**

Describe how business groups, local citizens, community groups and others were involved in the identification of the problems or needs and solutions discussed in the application.

Local citizens, local groups, boards, agencies, etc. are essential to any successful project. It is important that you show how these various groups were involved in bringing problems or needs to the attention of the community. The OCD views the involvement of local citizens in focusing on problems or needs and solutions as a key element in a successful Program application as well as in successful implementation of a project. Review is divided into two areas. Following each area are topics, information, or ideas that must be included in Citizen Participation.

#### **PUBLIC HEARING PROCESS**

1. The applicant must conduct a public hearing specific to this application and attach to this application the documentation listed in the application checklist specific to the program being applied for. Describe how citizen participation contributed to the actual development of this application.

#### **BUSINESS/LOCAL INVOLVEMENT**

- Outline other input business, local groups, and individuals have had in increasing the citizen participation process for the Program project.
- Highlight how the media was used to increase citizen awareness of the Program project.

#### **E. Documentation of Jobs, Commitment, Environmental and Permitting**

Provide evidence of all local, business, and other commitments to the Program project.

In the case of job creation, explain the method to be used to assure that the projected number of jobs for LMI persons is attainable, along with a current payroll to establish an employment baseline at the time of application.

In the case of job retention, the application must contain documentation (such as public announcement of lay-offs or public announcement of imminent closure) of impending job loss without CDBG Program assistance. All existing employees must be surveyed prior to making application to determine LMI status and establish an employment baseline for future reference. CDBG Program dollars per job shall not exceed \$10,000.

Discuss any actions already taken regarding environmental or permitting issues along with any potential environmental issues that could hold the project up, and how those issues were identified and any future permitting processes that will relate to the project.

**SECTION III. ECONOMIC DEVELOPMENT PROGRAMS COVER SHEET AND APPLICATION** Check program being applied for ☐BA ☐DF ☐RAF

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**A. Applicant Identification**

Applicant \_\_\_\_\_  
Street/P.O. Box \_\_\_\_\_  
Town/City \_\_\_\_\_  
Zip Code \_\_\_\_\_  
Name of Chief Executive Officer \_\_\_\_\_  
Phone Number of Chief Executive Officer \_\_\_\_\_  
Contact Person \_\_\_\_\_  
Phone Number of Contact Person \_\_\_\_\_

**The Applicant Certifies That:**

**2. State Certifications**

- a. To the best of my knowledge and belief, the information in this Phase I application is true and correct;
- b. the document has been duly endorsed by the governing body of the applicant;
- c. that the community will provide the required financial contribution to the project;
- d. the proposed project has been reviewed and it complies with the community's comprehensive plan and/or applicable state and local land use requirements;
- e. it will work with the Office of Community Development to develop a detailed project if it receives a conditional award; and
- f. it will comply with all applicable State laws and regulations.

**3. Federal Certifications**

- a. prior to expenditure of CDBG funds, it will establish a local community development plan that identifies the Town's housing and community development needs, including the needs of low and moderate income, and the activities to be undertaken to meet them;
- b. it will provide in a timely manner for citizen participation, public hearings, and access to information with respect to the State of Maine CDBG Program and the proposed local CDBG project/program. Indicate in public notices and at public hearings that the State program is competitive, the maximum grant amount that can be requested, and the general type of activities contained in the proposed local program. Also announce in the public notice the availability of the local program plan/application, describe the Community's previous CDBG performance

- (if any), and how the Community will collect, consider and maintain all oral and written comments received on the proposal;
- c. it will adopt and follow a residential anti-displacement and relocation assistance plan which complies with Section 104 (d) of the Housing and Community Development Act of 1974, as amended, that at a minimum provides for the replacement of all low/moderate income dwelling units that are demolished or converted to a non-LMI housing use as a direct result of CDBG assistance, and a relocation assistance component;
  - d. it will comply with the requirements of Section 319 of Public Law 101-121 regarding government-wide restrictions on lobbying; and
  - e. with the exception of administrative or personnel costs, it will verify that no person who is an employee, agent, consultant, officer, or elected official or appointed official of state or local government or of any designated public agencies, or sub recipients which are receiving CDBG funding, may obtain a financial interest or benefit, have an interest in or benefit from the activity, or have an interest in any subcontract or agreement with CDBG activities.

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<b>Signature and Title of Chief Executive Officer</b>	<b>Unit of Local Government</b>	<b>Date</b>
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**PLEASE NOTE:  
APPLICATIONS SUBMITTED WITHOUT THIS FORM ATTACHED AND FULLY  
EXECUTED WILL BE RETURNED**

TO: State of Maine  
Department of Economic and Community Development

From: (Municipality) \_\_\_\_\_  
(Company) \_\_\_\_\_  
(Preparer) \_\_\_\_\_

Date: \_\_\_\_\_

The attached application for Community Development Block Grant funding through the Business Assistance (BA) Loan Program, Development Fund (DF) Loan Program or the Regional Assistance Fund (RAF) Program is submitted for your review. The following CDBG/HUD/State requirements have been reviewed, understood, assured and acknowledged by all parties to the application.

1. These funds are requested to allow the implementation of a project that benefits the community, and creates and/or retains jobs of which at least 51% will be taken by LMI persons. The maximum period allowed to meet the job creation requirement is two (2) years from date of loan closing.
2. The purpose of these funds (BA, DF) is to provide **gap** financing to the business that it is unable to secure through conventional lenders or in the case of the use of RAF funds to provide the required local match for securing new funds brought into the state. Documentation is provided indicating that the project cannot proceed without CDBG program participation.
3. The award of any Program funds will not substitute for local public or private funds, which are available for the project, described in the grant application.
4. The application presents a financing plan which is consistent with one of the following:

BA funds requested do not exceed \$400,000. Project activities and use of funds to calculate the non-BA financing represent a new investment or a new project. Only the following activities are eligible: acquisition, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, capital equipment, and real property improvements.  
**BA program funds cannot be used to refinance existing debt.**

DF funds requested comprise the lesser of \$250,000 or 40% of the total project cost. Project activities and use of funds to calculate the non-Program financing represent a new investment or a new project. Only the following activities are eligible: acquisition, relocation, demolition, clearance, construction, reconstruction, installation, rehabilitation and working capital. **DF funds cannot be used to refinance existing debt.**

RAF funding requested comprises the lesser of \$200,000 or up to 100% of the matching funds required from the local government. Only the following activities are eligible: an eligible planning activity or assisting projects where at a minimum, 51% of the jobs created/retained are taken by or held by LMI persons.

- 5. The proposed project is stated in clear and precise language and includes an itemized budget specifically stating the intended use of CDBG funds, the intended use of other lender's funds, as well as identifying owner equity injection. **Even though the DECD will be responsible for servicing the loan to the business, in the event that job creation/program benefit is not met, the community awarded the CDBG funds will be responsible for immediate repayment of all CDBG funds contributed toward the project to the DECD.**
- 6. The proposed project demonstrates that a market exists for its product or service, the cost of the product or service is competitive in current market conditions, the cash flow projections are adequate to support operating expenses and indebtedness, and management has the capacity to carry out the business or development plan. The project demonstrates that there are no unidentified costs, necessary for implementation.
- 7. The application clearly describes the need for Program assistance, reasonableness of the amount requested, the repayment plan (for DF & BA) as well as proposed collateral appropriate to secure the Program loan along with a willingness to execute security agreements.
- 8. \_\_\_\_\_ has been identified as the contact person representing the municipality and will work in cooperation with DECD to survey the job creation/retention process as well as maintain all necessary records and assist in the monitoring process.

Submitted by:

Signature: \_\_\_\_\_ date: \_\_\_\_\_  
Business CEO  
(please print name and title)

Signature: \_\_\_\_\_ date: \_\_\_\_\_  
Municipal CEO  
(please print name and title)

Preparer:

Signature: \_\_\_\_\_ date: \_\_\_\_\_  
(please print name and title)

**Project Participants:**

GRANT RECIPIENT (Municipality): \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
ZIP \_\_\_\_\_  
Telephone: \_\_\_\_\_ ext. \_\_\_\_\_ Email: \_\_\_\_\_  
Municipal Tax ID# \_\_\_\_\_

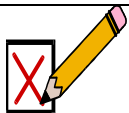
BUSINESS: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
ZIP \_\_\_\_\_  
Telephone: \_\_\_\_\_ ext. \_\_\_\_\_ Email: \_\_\_\_\_  
Business Tax ID# \_\_\_\_\_

PREPARER: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
ZIP \_\_\_\_\_  
Telephone: \_\_\_\_\_ ext. \_\_\_\_\_ Email: \_\_\_\_\_  
Business Tax ID# \_\_\_\_\_

LENDER: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
ZIP \_\_\_\_\_  
Telephone: \_\_\_\_\_ ext. \_\_\_\_\_ Email: \_\_\_\_\_  
Business Tax ID# \_\_\_\_\_

LENDER: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
ZIP \_\_\_\_\_  
Telephone: \_\_\_\_\_ ext. \_\_\_\_\_ Email: \_\_\_\_\_  
Business Tax ID# \_\_\_\_\_

LENDER: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
ZIP \_\_\_\_\_  
Telephone: \_\_\_\_\_ ext. \_\_\_\_\_ Email: \_\_\_\_\_  
Business Tax ID# \_\_\_\_\_



# Economic Development Assistance Application Checklist

B A	D F	R A F	✓	Did You Include This??	Form	Instructions
				Threshold Verification Checklist	Pg. 12	Self explanatory
				Completed LMI survey (for retention only)		Contact DECD
				Acknowledgment and Certification - signed by municipality, company and preparer.	Pg. 7-10	Must be signed and made a part of the application.
				Participant Information Sheet	Pg. 11	Must be completed.
<b>Community Information:</b>						
				Public Hearing to apply for CDBG funds– include notice, attendance sheet, and minutes.	Pg. 6	Must include all information
				Approval of Legislative Body – either resolution or warrant	Pg. 15-16	Sample resolution and warrant article
				Community Benefit Sheet	Pg. 17	Self explanatory
				Job Creation/Retention Assurances	Pg. 18-20	Self explanatory
<b>Business Information:</b>						
				Project Description		Provide 1 pg. narrative
				Source and Use of Funds	Pg. 21	
				Commitment Letters from participating entities		See page 22
				Current/Proposed Debt Worksheet	Pg. 23	Self explanatory
<b>Financial Documentation* :</b>						
				Balance Sheets (both historical and projected for a minimum of 3 years)		*Financial statements must show evidence that the information has been reviewed by an accountant. See page 24.
				Profit & Loss (both historical and projected for a minimum of 3 years)		
				Pro-forma cash flow statement for one year.		
				Current Personal Financial Statements for all principals with more than 20% ownership		
				Repayment Proposal		Instructions on Page 22
				Equity injection		
				Collateral Worksheet	Pg. 25	Self Explanatory
				Credit Authorization	Pg. 26	Self Explanatory
<b>Job Creation and Retention Documentation:</b>						
				Job Creation/Retention Table	Pg. 19	Self Explanatory
				Staffing Plan		Self Explanatory
				Baseline Employment Verification		Self Explanatory
				Jobs: Dollar Worksheet	Pg. 14	Self Explanatory
				Problem Statement and Proposed Solution	Pg. 4-5	Include all required information.
				Special Agreements by Applicants, Citizen Participation, Environmental/Permitting	Pg. 5-6	Include all required information

**Submit application assembled in the order as listed in the above checklist.**

Submitted by:

Name \_\_\_\_\_

Date \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

## THRESHOLD VERIFICATION CHECKLIST:

1. Eligible Entity (check one):

\_\_\_\_\_ Municipality      \_\_\_\_\_ County      \_\_\_\_\_ Joint Application

2. LMI Benefit –

### Retention

Date of Survey \_\_\_\_/\_\_\_\_/\_\_\_\_

Number of Full Time Equivalent Employees (FTE) \_\_\_\_\_

Number of (FTE) that are low/moderate income \_\_\_\_\_

$$\frac{\text{Number of LMI Employees}}{\text{Number of FTE's}} = \text{_____ \% LMI Benefit}$$

**If % of LMI Benefit is less than 51%, this project is ineligible.**

### Creation

Number of Full Time/Full Time Equivalent Jobs to be created \_\_\_\_\_

Number of these to be taken by LMI persons \_\_\_\_\_

$$\frac{\text{Number of FTE jobs to be taken by LMI persons}}{\text{Number of Jobs to be created}} = \text{_____ \% LMI Benefit}$$

**If % of LMI Benefit is less than 51%, this project is ineligible**

3. ELIGIBLE ACTIVITIES in accordance with HUD REGS. 570.200 – 570.206 and CDBG FINAL STATEMENT.      Yes \_\_\_\_\_      No \_\_\_\_\_

4. BA Program FUNDING THRESHOLD – Program Dollars must represent the lesser of \$250,000 or 40% of the total proposed funding.

- a. Project Costs      \$ \_\_\_\_\_
- b. Program Request      \$ \_\_\_\_\_
- c. Total Project Cost      \$ \_\_\_\_\_
- d. % program \$ to project (b/c)      \_\_\_\_\_ %

5. DF Program FUNDING THRESHOLD – Program Dollars must represent the lesser of \$250,000 or 40% of the total proposed funding.

- a. Project Costs      \$ \_\_\_\_\_
- b. Program Request      \$ \_\_\_\_\_
- c. Total Project Cost      \$ \_\_\_\_\_
- d. % program \$ to project (b/c)      \_\_\_\_\_ %

6. RAF Program FUNDING THRESHOLD – Program Dollars must represent the lesser of \$250,000 or 40% of the total proposed funding.

- a. Project Costs \$ \_\_\_\_\_
- b. Program Request \$ \_\_\_\_\_
- c. Total Project Cost \$ \_\_\_\_\_
- d. % program \$ to project (b/c) \_\_\_\_\_%

#### **DOLLARS PER JOB CREATED**

Divide the amount of BA Program funds sought by the total Full Time and Full Time Equivalent jobs created/retained. Full Time Equivalent job = 40 hours per week. Enter the answer as a dollar amount.

BA PROGRAM FUNDS \$ \_\_\_\_\_ = \$ \_\_\_\_\_ FT/FTE Jobs  
FT & FTE JOBS \_\_\_\_\_

#### **QUALITY OF LMI JOBS CREATED/RETAINED**

Compute the average hourly wage and fringe benefits for all Full Time and Full Time Equivalent jobs **that will be filled by persons who are projected to be low/moderate income (LMI) at their time of hire or when their job is retained.** Enter the total as an hourly dollar amount.

Average Wage of LMI jobs \_\_\_\_\_/hour  
Average fringe benefits \_\_\_\_\_/hour  
**TOTAL** \_\_\_\_\_/hour

## SAMPLE COUNCIL RESOLUTION

### COUNCIL RESOLUTION

Whereas the (indicate name of municipal entity) wishes to apply to the Department of Economic and Community Development for a Community Development Block Grant Program award to carry out a community development program; and

Whereas the planning process required by Maine Law and the CDBG program has been compiled with, including participation in the planning process by low and moderate income families and individuals and the Municipal Entity has conducted at least one duly advertised public hearing; and

Whereas the Department of Economic and Community Development has established the,

☐ Business Assistance Program

☐ Development Fund Program

☐ Regional Assistance Fund Program

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL that \_\_\_\_\_  
\_\_\_\_\_ it's \_\_\_\_\_:

is authorized and directed to submit a Community Development Block Grant application for the program designated above to the Department of Economic and Community Development on behalf of \_\_\_\_\_ (business) substantially in the form presented to this Council;

is authorized to make such assurances on behalf of (indicate the municipal entity) required as part of such application; and,

is authorized and directed, upon acceptance of said funds to carry out the duties and responsibilities for implementing said program, consistent with the Charter of \_\_\_\_\_ (indicate the municipal entity) and the laws and regulations governing the planning and implementation of community development programs in the State of Maine.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ on behalf of the Community Council of \_\_\_\_\_.

WITNESS: \_\_\_\_\_  
Title

SIGNED: \_\_\_\_\_  
Chairman of Council

## TOWN MEETING WARRANT ARTICLE

Shall the Town of \_\_\_\_\_ vote to approve a community development program and Community Development Block Grant Program application for the

- ☐ Business Assistance Program
- ☐ Development Fund Program
- ☐ Regional Assistance Fund Program

and to submit same to the Department of Economic and Community Development, and if said program is approved, to authorize the municipal officers to accept said grant funds, to make such assurances, assume such responsibilities, and exercise such authority as are necessary and reasonable to implement such a program?





## Community Benefit Worksheet

### Local Fiscal Improvement:

What percent of value to the total value is the municipal assessment? \_\_\_\_%

1. Assessed value of land prior to improvements \$ \_\_\_\_\_
2. Assessed value of buildings prior to improvements \$ \_\_\_\_\_
3. Total assessed value (1+2) \$ \_\_\_\_\_
4. Estimated value following improvements \$ \_\_\_\_\_
5. Estimated tax based on #4 \$ \_\_\_\_\_
6. Anticipated net increase (#5-#4) \$ \_\_\_\_\_

The above figures were obtained through (check all that are applicable)

Town Records \_\_\_\_\_  
Assessments \_\_\_\_\_  
Appraisals \_\_\_\_\_  
Other \_\_\_\_\_

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
GRANTEE/BUSINESS ASSURANCES**

**JOB RETENTION**

The Municipality (as identified below) assures that it has discussed job retention project goals with the proposed loan recipient. The Municipality is assured that \_\_\_\_\_ jobs will be retained for a period of no less than two years. The Business (as identified below) assures that these jobs will be retained and that timely and completed documentation will be provided to the Municipality necessary to verify job retention achievements. Both the Municipality and the Business assure that low and moderate-income persons hold at least 51% of the jobs retained.

\_\_\_\_\_  
Municipality

\_\_\_\_\_  
Signature of Municipal CEO

\_\_\_\_\_  
Date

\_\_\_\_\_  
Business

\_\_\_\_\_  
Signature of Business CEO

\_\_\_\_\_  
Date

## JOB RETENTION SUMMARY DOCUMENTATION

### Community Development Block Grant Program

(TO BE DETERMINED BY EMPLOYEE SURVEY AND VERIFIED THROUGH SUPPORTING DOCUMENTATION)

JOB TITLE	# JOBS RETAINED Qualified		# LMI JOBS RETAINED		# NON LMI JOBS RETAINED	
	full time	part time	full time	part time	full time	part time

The above information has been compiled using the individual surveys of all affected employees of the Business (as identified below).

This survey was based on family income as defined by the HUD Low/Moderate Income Limits, which apply to the Community Development Block Grant (CDBG) Program. To the best of my knowledge, all information represented above is true and factual. Assurances are also given that "Clear and Objective" evidence exists documenting the above jobs would actually be lost without CDBG Program funding, and that this evidence exists in the form of a notice issued by the assisted party to affected employees, a public announcement, relevant financial records or other form acceptable to the Department of Economic and Community Development.

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Business

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Signature of Business CEO

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Date

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
GRANTEE/BUSINESS ASSURANCES**

**JOB CREATION**

The Business (as identified below), having applied for funding from the Municipality (as identified below) through the Maine Community Development Block Grant (CDBG) Program agrees to create a minimum of \_\_\_\_\_ new jobs on or before a date two years from the date of the last disbursement of program funds approved by the DECD. The Business also agrees that at least 51% of the new full time and full time equivalent jobs must be taken by qualified low /moderate income persons in compliance with the Maine CDBG program rules, regulations and policies. The Business will verify the job creation achievements and assist the Municipality in compiling the required documentation as required by the Maine CDBG Program.

**It is understood by The Business that, in the event the job creation goals are not met within the prescribed time frame and according to the regulations of the State of Maine Community Development Block Grant Program, the State of Maine and/or the Municipality will exercise its rights and seek repayment in accordance with the default provisions contained in the promissory note and mortgage documents.**

Having read and fully understanding the requirements set forth in this agreement, the undersigned agree to the job creation requirements contained herein, and to comply with all regulations of the U.S. Department of Housing and Urban Development and the State of Maine governing this program.

\_\_\_\_\_  
Municipality

\_\_\_\_\_  
Signature of Municipal CEO

\_\_\_\_\_  
Date

\_\_\_\_\_  
Business

\_\_\_\_\_  
Signature of Business CEO

\_\_\_\_\_  
Date

## Project Funds Table

Activity	CDBG Program Funds	Source and Amounts of Private Funds	Source and Amounts of Other Funds	Total
Working Capital	N/A - BA Program			
Inventory	N/A - BA Program			
Real Property Acquisition				
Relocation of Persons and/or Business	N/A - BA Program			
Clearance/ Demolition				
Site Improvements				
Water/Sewer Improvements				
Building Improvements/ Construction				
Parking Facilities				
Equipment				
Professional Fees	N/A - BA Program			
Fixtures				
Other (specify)				
Total Project Cost				

***Be sure to attach a clear description of the uses of all funds and a letter of commitment for each fund listed above.  
(see next page for guide to commitment letters)***

## **Commitment Letters**

Business Assistance, Development Fund and Regional Assistance Fund Program applicants must provide sufficient evidence that all other financial commitments are in place for this project. To meet this requirement, letters of commitment must be submitted with the application and must include the following elements as appropriate to the type of project being considered:

1. The individual signing the commitment letter must identify their authority to commit the resources necessary to this proposal.
2. Indication that the loan has been approved by the individuals or committees, corporate board etc., empowered to lend the stated commitment.
3. Indication that the institution/entity will lend the funds subject to any conditions such as:
  - Loan amount
  - Term of loan
  - Loan interest rate
  - Guarantee and insurance requirements
  - Collateral or security for loan
  - Use of loan funds
  - Expiration date of commitment
  - Reasons why additional funds will not be provided

Commitments from public financing sources must approximate as closely as possible the content of a commitment letter from a private financial source. If the public source requires a formal acceptance of the loan or grant conditions, an executed acceptance notice must be included with the commitment letter.

## **Repayment Proposal**

Describe the method used to determine CDBG Program repayment terms. Provide a summary of the process followed to calculate justification for CDBG Program financing, rate and term by referring to financial information included in the CDBG Program application.

## **Equity**

For applicants who have committed equity in the project explain the nature of the equity injection, particularly the conditions for its use and repayment. Include as a commitment letter as described for commitments.

## Financial Summary Statement

### Community Development Block Grant Program Application

Provide the following information on the current obligation of the Business for the following:

Current Debt	Debt Holder	Rate/Term	Payment	Collateral

Proposed new obligations of the Business after CDBG Program assistance:

Proposed Debt	Debt Holder	Rate/Term	Payment	Collateral



## **Financial Documentation**

The most recent financial statement for the business or each private participating party must be provided and include the following:

**BALANCE SHEETS** – both historical and projected for a minimum of three years.

**PROFIT AND LOSS STATEMENTS** – both historical and projected for a minimum of three years.

**PRO-FORMA CASH FLOW STATEMENT** – for one year, this is essential where there exists a seasonal variation.

A current **Balance Sheet** and a **Current Income Statement** not more than 90 days old.

**Current personal financial statements** for all principals with more than 20% ownership in the business.

**NOTE:** Financial statements must show evidence that the information has been reviewed by an accountant.

## Collateral Worksheet

It is the intent of the DECD that CDBG Program funds be adequately collateralized through the term of the loan. Complete the following worksheet to determine the level of collateral to be offered for the CDBG Program funds.

Business Assets	Value	Minimum Discount	Discounted Value
Accounts Receivable (90 days or less)	BOOK	60%	
Inventory	BOOK	60%	
Material & Equipment		75%	
SUBTOTAL			
<b>Real Estate</b>			
Land and Buildings	Appraised	80%	
Other (leasehold Int.)	Appraised	80%	
<b>Personal Assets</b>			
Personal Residence	Appraised	80%	
Secondary Residence	Appraised	80%	
Other	Appraised	80%	
<b>Securities</b>			
Stocks	Cash Value	=	
Bonds	Cash Value	=	
Other (life ins., cash surrender value, 401k)	Cash Value	=	
TOTAL			
<b>Lender</b>	<b>Lien Property Asset/purpose</b>	<b>Debt/loan Balance</b>	

NOTE: a qualified appraiser shall appraise Real Property serving as security. For all types of other property, a valuation shall be made using any recognized, standard technique for the type of property involved (including standard reference manuals), and this valuation shall be described in the loan file.

ASSETS: Do not include cash, checking account balances, and prepaid expense/deposits

PERSONAL GUARANTEES cannot be valued unless there are sufficient personal assets to be collateralized.

**Department of Economic and Community Development  
Office of Community Development  
Community Development Block Grant Program**

**Consumer Credit Authorization**

You have submitted a request to the Department of Economic and Community Development (DECD) to provide financing through the Office of Community Development administered Community Development Block Grant Program.

The DECD designee's procedure for reviewing this kind of request include the purchase and review of credit reports, which include information on both the Business, and primary principals of businesses. A primary principal is any person having an ownership interest in the company of twenty percent (20%) or more. Prior to ordering these reports the DECD must have written permission from each primary principal. Please sign below acknowledging notification of the DECD's intent to order consumer credit information in the Business and/or your name and providing your permission to do so.

The DECD will not proceed with review of the financing request without these reports. Therefore, this form must be signed by all applicable individuals and included with your application.

Thank you in advance for your cooperation.

**The undersigned acknowledges the above and gives permission to DECD and/or its designee to acquire any consumer credit information or reports it requires in connection with the above referenced application for financing assistance.**

\_\_\_\_\_  
**Signature**

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Ownership Percentage:** \_\_\_\_\_

**Social Security Number:** \_\_\_\_\_

## **I. Application Timetable**

The time frame for the Application Processes are as follows:

Application Process Begins – January 1, 2003

Applications Due - **1<sup>st</sup> Thursday of each month until funding is exhausted**

Project Development Phase Invitations Announced - **Following acceptance of a complete Application**

**APPLICATIONS MUST BE RECEIVED AT THE:**

**OFFICE OF COMMUNITY DEVELOPMENT  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
111 SEWALL STREET  
59 STATE HOUSE STATION  
AUGUSTA, MAINE 04333**

**Communities MUST submit:**

- **ONE ORIGINAL APPLICATION WITH SIGNED COVER SHEET, CERTIFICATIONS AND APPLICATION DESIGNATION SHEETS, AND**
- **FIVE (5) COPIES OF THE APPLICATION (DO NOT INCLUDE COPIES OF THE CERTIFICATIONS AND DESIGNATION SHEET).**

**FAXED COPIES WILL NOT BE ACCEPTED.**

For further information, please contact the Office of Community Development at **624-7484.**

**THIS MATERIAL IS AVAILABLE IN ALTERNATIVE FORMAT  
UPON REQUEST**

**Also Available at**

**[www.meocd.org/library](http://www.meocd.org/library)**

**CONTACT**

**ORMAN WHITCOMB, DIRECTOR  
OFFICE OF COMMUNITY DEVELOPMENT  
111 SEWALL STREET  
59 STATE HOUSE STATION  
AUGUSTA, MAINE, 04333-0059**

**TELEPHONE (207) 624-7484  
TTY (207) 287-2656**